GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:283
ANSWERED ON:08.08.2003
DEPOSIT LIMIT ON RBI BONDS
RAGHUVANSH PRASAD SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have lifted the deposit limit on RBI bonds in budget for the year 2003-2004;

(b) whether there is a limit of three lakhs on post office`s MIS scheme under National Saving Scheme;

(c) if so, the reasons for this disparity;

(d) whether the Government propose to raise the limit from three lakhs to five lakhs of post office MIS scheme for the benefit of Senior Citizens; and

(e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF FINANCE (SHRI JASWANT SINGH)

(a) to (e) A statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA STARRED QUESTION NO.283 FOR 8TH AUGUST, 2003, B RAGHUVANSH PRASAD SINGH

(a) & (b) Yes, Sir. There is no maximum limit for investment in Saving Bonds, 2003(RBI Bonds). Deposits under the Post Office Monthly Income Account (POMIA) are, however, subject to a ceiling of Rs.3 lakh in case of a single account and Rs.6 lakh in case of a joint account.

(c) to (e) The Savings Bonds, 2003 and the POMIA are two separate saving options with different features and objectives. While the POMIA provides for a bonus @ 10% of the deposit at maturity and the facility of premature withdrawal to the small investor, 8% Savings (taxable) Bonds do not provide such benefits. Government has also introduced the scheme of `Varishtha Pension Bima Yojana` with an assured return of nine per cent per annum for senior citizens.